



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 19, 2001

S. 1637

A bill to waive certain limitations in the case of use of the emergency fund authorized by section 125 of title 23, United States Code, to pay the costs of projects in response to the attack on the World Trade Center in New York City that occurred on September 11, 2001

*As ordered reported by the Senate Committee on Environment and Public Works
on November 8, 2001*

SUMMARY

S. 1637 would expand the Federal Highway Administration's (FHWA's) Emergency Relief program to fund certain road projects following the attacks on the World Trade Center on September 11, 2001. The bill would waive the requirement for the state of New York to pay a certain percentage of the projects' costs; it would waive the limitation on the amount of funding provided to New York from the Emergency Relief program; and it would increase the program's total authorization level. The Emergency Relief program is run by FHWA as part of the Federal-Aid Highways program.

CBO estimates that enacting S. 1637 would increase direct spending by \$75 million over the 2002-2004 period. Because S. 1637 would affect direct spending, pay-as-you-go procedures would apply.

S. 1637 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. The bill would benefit New York City by raising the limit on the amount of money available from highway emergency funds for projects arising from the September 11, 2001, attack on the World Trade Center.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1637 is shown in the following table. The costs of this legislation fall within budget function 400 (transportation).

	By Fiscal Year, in Millions of Dollars				
	2002	2003	2004	2005	2006
DIRECT SPENDING					
FHWA Emergency Relief					
Spending Under Current Law					
Estimated Budget Authority	100	100	100	100	100
Estimated Outlays	109	105	103	101	100
Proposed Changes					
Estimated Budget Authority	75	0	0	0	0
Estimated Outlays	30	30	15	0	0
FHWA Emergency Relief					
Spending Under S. 1637					
Estimated Budget Authority	175	100	100	100	100
Estimated Outlays	139	135	118	101	100

BASIS OF ESTIMATE

For this estimate, CBO assumes that S. 1637 will be enacted by the end of this calendar year. Current law authorizes an indefinite amount of contract authority (a mandatory form of budget authority), and \$100 million in obligation authority for the Emergency Relief program each year (budget authority is assumed to equal obligation authority for the program). S. 1637 would allow the use of additional contract authority for certain projects in New York by allowing FHWA to exceed the \$100 million obligation limitation for this purpose.

Based on information from FHWA, CBO estimates that road projects in New York that would be eligible for funding under the bill would cost \$75 million over the next three years. These projects would include managing traffic, building a temporary road and hauling debris, repairing State Route 9A on the west side of the World Trade Center, and surface repairs to other roads close to the World Trade Center.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. The net changes in outlays that are subject to pay-as-you-go procedures are shown in the following table. For the purposes of enforcing pay-as-you-go procedures, only the effects in the budget year and the succeeding four years are counted.

	By Fiscal Year, in Million of Dollars									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Changes in outlays	30	30	15	0	0	0	0	0	0	0
Changes in receipts										

INTERGOVERNMENTAL AND PRIVATE-SECTOR IMPACT

S. 1637 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments. The bill would benefit New York City by raising the limit on the amount available from highway emergency funds for projects arising from the September 11, 2001, attack on the World Trade Center.

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